

Message Text

CONFIDENTIAL

PAGE 01 PARIS 12451 161143Z

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 EA-06 TRSE-00 L-02 CIAE-00

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R 161131Z MAY 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 9460

C O N F I D E N T I A L PARIS 12451

E.O. 11652: GDS

TAGS: PINT, VS, PFOR, EFIN, FR

SUBJECT: VIETNAMESE ASSETS -- FORMER GVN DELEGATION TO
PARIS PEACE TALKS

REF: (A) USDEL/JEC 10988; (B) USDEL/JEC 11202;
(C) USDEL/JEC 11506; (D) BRUSSELS 4065; (E) STATE 110669

1. EMBASSY AND USDEL/JEC WERE CONTACTED MAY 14 BY MEMBERS FORMER GVN DELEGATION TO PARIS PEACE TALKS, REQUESTING ASSISTANCE IN OBTAINING SIX-MONTHS SEVERANCE PAY FROM ACCOUNT IN FIRST NATIONAL CITY BANK. ACCOUNT WAS ORIGINALLY OPENED IN NAME OF NGUYEN LUU VIEN, HEAD OF DELEGATION, WHO DELEGATED AUTHORITY OVER ACCOUNT JOINTLY TO NGUYEN XUAN PHONG AND DELEGATION'S ADMIN OFFICER WHEN VIEN RETURNED TO SAIGON. ON ADVICE OF ITS LOCAL LAWYERS, FNCB BRANCH HERE CONSIDERS THE ACCOUNT AS VIEN'S PERSONAL ACCOUNT AND HAS THUS TREATED IT AS UNBLOCKED PURSUANT TO GENERAL LICENSE. ACCOUNT HAS FUNCTIONED, HOWEVER, AS ACCOUNT OF DELEGATION. EX-DELEGATION MEMBERS ASSERT PROBLEM ARISES FROM PHONG'S DEPARTURE FROM PARIS. THEY EXPECT SEVERANCE PAY CHECKS WITH ONLY SIGNATURE OF ADMIN OFFICER WOULD NOT BE HONORED AND REQUESTED EMBASSY AND USDEL/JEC FIND WAY TO SOLVE THIS PROBLEM.

2. CONTACT WITH FNCB BRANCH LATER ON MAY 14 PROVIDED ADDITIONAL DETAILS. BANK STATED THAT ON APRIL 15 PHONG
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PAGE 02 PARIS 12451 161143Z

AND ADMINISTRATIVE OFFICER ATTEMPTED FIRST TO TRANSFER

ACCOUNT TO "DELEGATION" ACCOUNT, SUBJECT TO THEIR OWN SIGNATURES, IN ANOTHER BANK. FNCB REFUSED THIS, ON GROUNDS THIS EXCEEDED NORMAL AUTHORITY DELEGATED THEM BY VIEN. WHILE BANK HAS HONORED CHECKS, PRE-SIGNED BY PHONG BEFORE HIS DEPARTURE, TO COVER MAY SALARIES AND BILLS TO POST OFFICE, AIR FRANCE AND OTHER "OFFICIAL" SERVICES, IT WOULD OF COURSE NOT HONOR CHECKS BEARING ONLY ONE SIGNATURE IN ABSENCE OF NEW AUTHORIZATION FROM VIEN. THEY HAVE ALREADY REFUSED ONE SUCH CHECK. FURTHER, FNCB OFFICIAL VOLUNTEERED TO EMBOFF THAT IT WOULD CONSIDER SUCH SEVERANCE PAYMENTS "UNJUSTIFIED," AS IT HAS BEEN INFORMED BY PRG THAT ALL SOUTH-VIETNAMESE DIPLOMATIC OFFICIALS HAVE BEEN REQUESTED BY NEW GOVERNMENT TO REMAIN AT THEIR POSTS. HOWEVER, IT WOULD PRESUMABLY HONOR ANY CHECKS SIGNED BY VIEN, THE PRINCIPAL OWNER OF THE ACCOUNT.

3. FNCB MAINTAINS THAT SINCE THIS IS A PRIVATE ACCOUNT, THEY DO NOT BELIEVE THEY WILL BE INSTRUCTED TO TURN IT OVER TO THE PRG, AS THEY EXPECT QUAI WILL SOON DO FOR SOUTH-VIETNAMESE OFFICIAL ACCOUNTS (HENCE PLACING FNCB IN DILEMMA RELATIVE TO TREASURY REGULATIONS). INDEED, FNCB BELIEVES PRG NOT AWARE OF EXISTENCE OF ACCOUNT. AT SAME TIME, IN CONTINUED ABSENCE OF VIEN AND PHONG, ACCOUNT WILL REMAIN INACTIVE. SINCE WHEREABOUTS OF BOTH VIEN AND PHONG ARE UNKNOWN (REFS D AND E) AND THEY MAY STILL BE IN VIETNAM, QUESTION OF STATUS OF ACCOUNT RELATIVE TO U.S. TREASURY REGULATIONS ALSO ARISES.

4. THE BANK'S BELIEF THAT IT WILL NOT BE ASKED TO TURN ACCOUNT OVER TO THE PRG IS OPEN TO QUESTION, ESPECIALLY AS WE UNDERSTAND QUAI RECENTLY ASKED DELEGATION WHAT IT PLANS TO DO WITH OFFICE FURNISHINGS, CARS, ETC. DELEGATION NOW EXPECTS TO TURN ALL SUCH ITEMS OVER TO QUAI, ALONG WITH RENTAL CONTRACT ON OFFICE SPACE.

5. EMBASSY AND USDEL/JEC PROMISED EX-DELEGATION MEMBERS ONLY THAT WE WOULD INFORM DEPARTMENT OF CONFIDENTIAL

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PAGE 03 PARIS 12451 161143Z

SITUATION. IF AND WHEN WHEREABOUTS OF PHONG OR VIEN ARE KNOWN, WE WOULD APPRECIATE BEING INFORMED.
RUSH

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